

EXHIBIT 7

April 22, 1936 Memorandum of Walker River Irrigation District
and other Defendants in Answer to Brief on Exceptions to the
Master's Findings, Conclusions and Proposed Decree

Filed April 22nd, 1936

C. E. Benham, Clerk

IN EQUITY C-125

By C. E. Benham, Deputy

IN THE DISTRICT COURT OF THE UNITED STATES OF AMERICA, IN
AND FOR THE DISTRICT OF NEVADA.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

WALKER RIVER IRRIGATION DISTRICT,
a corporation, et al,

Defendants.

MEMORANDUM OF WALKER RIVER IRRIGATION DISTRICT AND
OTHER DEFENDANTS IN ANSWER TO "BRIEF ON EXCEPTIONS
TO THE MASTER'S FINDINGS, CONCLUSIONS AND PROPOSED
DECREE" FILED BY PLAINTIFF THROUGH ITS ATTORNEYS,
ETHELBERT WARD AND WILLIAM S. BOYLE.

Pursuant to the authority conferred upon him in his appointment, the Master in the above-entitled case filed his report, proposed findings of fact, conclusions of law and decree on December 30, 1932.

The plaintiff, United States of America, and several defendants filed exceptions to the Master's report, proposed findings of fact, conclusions of law and proposed decree, within the time fixed by Equity Rule 66, which reads as follows:

"The master, as soon as his report is ready, shall return the same into the clerk's office and the day of the return shall be entered by the clerk in the Equity Docket. The parties shall have twenty days from the time of the filing of the report to file exceptions thereto, and if no exceptions are within that period filed by either party, the report shall stand confirmed. If exceptions are filed, they shall stand for hearing before the court, if then in session, or, if not, at the next sitting held thereafter, by adjournment or otherwise."

1 Exceptions were filed by the plaintiff, United States
2 of America, within the time allowed by the foregoing rule and
3 thereafter the plaintiff duly filed its brief in support of said
4 exceptions by and through its attorneys, Ethelbert Ward and
5 Cole L. Harwood. Thereafter, an oral argument was had at
6 Carson City, covering the exceptions of the plaintiff as well
7 as the exceptions of all defendants and the matter was duly
8 submitted to the court for decision. After considering, the
9 court rendered its decision and opinion on June 6, 1935, and
10 filed the same with the clerk of the above-entitled court on
11 June 7, 1935. All of the exceptions filed by the plaintiff
12 as well as the exceptions filed by all of the defendants were
13 disposed of and ruled upon by the court. In the opinion and
14 decision the court entered an order, referring the matter back
15 to the Master to take evidence and hear counsel for the pur-
16 pose of determining what rights, their quantity and priority,
17 if any, the Sierra Pacific Power Company is entitled to have
18 decreed to it. The order of the court, which appears on the
19 last two pages of the opinion and decision, reads as follows:

19 "It follows from what has been said that the
20 Sierra Company has not a riparian use for the im-
21 ponding or storage of water for power purposes,
22 and its prayer for judgment and decree confirming
23 such rights must be denied. Doubtless appreciating
24 the difficulties of the situation counsel for the
25 Sierra Company, in oral argument, stated that he
26 recognized that the proposed diversion and storage
27 'must be a reasonable one which must not interfere
28 with the use of a lower appropriator.' But we are
29 not here concerned with what has been described as
30 'the use of the hydraulic effect of the stream for
 the generation of electric current,' which has been
 held to be a legitimate exercise of the riparian
 right. *Mentone etc. v. Redlands*, 155 Cal. 323;
 Seneca C. G. M. Co. v. Great Western Power Co.,
 209 Cal. 206, 215. The Sierra Company is demanding
 confirmation of its claimed rights as a riparian owner
 to divert and impound water for power purposes, which
 is inhibited by law. All of the water in the rivers
 having been heretofore appropriated and put to bene-
 ficial uses, whatever rights to the waters of the
 West Walker, whether as riparian or appropriator,
 said company may now have or hereafter assert, it
 is clear that such rights are subject and subordinate

1 to the prior rights of the lower appropriators, who
2 are entitled to protection against interference,
3 obstruction and diminution of the natural seasonal
4 stream flow.

5 "Mention has been made herein of 350 or 400
6 acres of land, owned by the Sierra Company, which
7 it is said has been irrigated since 1901, and of
8 which there has been no determination as to priority
9 or quantity. The case will be referred to the Master
10 to take evidence and hear counsel for the purpose of
11 determining what rights, their quantity and priority,
12 if any, said company has in the premises. Said com-
13 pany may have thirty days from date hereof, if so
14 advised in which to offer the necessary proofs.
15 At the conclusion of the hearing the Master is
16 directed to prepare and submit to this Court
17 forms of findings of fact and conclusions of
18 law and decree giving effect to this decision.
19 Counsel for respective parties shall have ten
20 days after notice to them by the Master of the
21 filing of his report and said forms with the
22 clerk, in which to submit their objections.

23 "Except as indicated by the views herein
24 expressed, the exceptions to the Master's pro-
25 posed findings and conclusions of law and decree,
26 heretofore submitted, will be overruled."

27 It would appear from the foregoing opinion and order of
28 the court that it was not intended to have the entire case re-
29 opened and re-argued as counsel for the plaintiff, United States
30 of America, has attempted to do by filing exceptions to the
Master's report and again briefing the whole case after the time
for filing exceptions has expired and after the court has fully
considered the whole case and referred it again to the Master
for the sole purpose of taking testimony on the rights, if any,
of the Sierra Pacific Power Company. It seems clear that the
court intended only that the parties should have ten days after
the Master had rendered his supplemental report within which to
object to such findings as had not been established by the deci-
sion and opinion because the court states:

31 "Counsel for respective parties shall have
32 ten days after notice to them by the Master of the
33 filing of his report and said forms with the Clerk
34 in which to submit his objections."

35 "Except as indicated by the views herein ex-
36 pressed, the exceptions to the Master's proposed
37 findings, conclusions of law and decree heretofore
38 submitted, will be overruled."

1 Notwithstanding what is the obvious intent of the court
2 to permit objections to be filed against any award made to the
3 Sierra Pacific Power Company by the Master after taking testimony
4 as directed by the court, the plaintiff, United States of America,
5 has filed objections and exceptions which are in effect a dupli-
6 cation and reiteration of the exceptions and objections filed
7 against the Master's original proposed findings, decree and re-
8 port.

9 All of the cases cited in the brief filed November 1,
10 1935, by the United States have been referred to in the original
11 brief and argument filed by the plaintiff. The same points have
12 been argued in slightly different verbage and, however much we
13 would desire to incorporate in a brief at this time a complete
14 restatement of the views expressed in our former brief, we feel
15 that it would only be a burden upon the court to be asked to
16 again read such a brief. We feel that what has been stated in
17 the brief filed by us on August 25, 1933, has been fully con-
18 sidered by the court and that it constitutes a complete answer
19 to the argument advanced in the briefs filed by the United States.
20 We therefore feel that we should not file an extended brief at this
21 time but should merely refer the court to the original briefs
22 in the case and the transcript of the oral argument had at
23 Carson City in the year 1933.

24 The case of Winters vs. United States, 207 U. S. 564,
25 is the only Supreme Court decision which the United States cites
26 that bears upon the subject of a reservation of waters by impli-
27 cation. Indeed, the plaintiff states that it is the only United
28 States Supreme Court decision upon the subject. The Winters case
29 has been worn threadbare in support of the argument of the United
30 States that it applies to a case of this character. However, we
pointed out in the defendants' brief filed August 25, 1933, on

pages 15, et seq., that the Winters case was readily distinguish-
 1 able from the case at bar. We quoted from the decision written
 2 by Mr. Justice McKenna which, at the risk of being charged with
 3 unnecessary reiteration, we again quote:

"The case, as we view it, turns on the agree-
 4 ment of May, 1886, resulting in the creation of Fort
 5 Belknap Reservation. In the construction of this
 6 agreement there are certain elements to be considered
 7 that are prominent and significant. The reservation
 8 was a part of a very much larger tract which the
 9 Indians had the right to occupy and use, and which
 10 was adequate for the habits and wants of a nomadic
 11 and uncivilized people. It was the policy of the
 12 government, it was the desire of the Indians, to
 13 change those habits and to become a pastoral and
 14 civilized people. If they should become such, the
 15 original tract would be too extensive; but a
 16 smaller tract would be inadequate without a change
 17 of conditions. The lands were arid, and, without
 18 irrigation, were practically valueless. And yet,
 19 it is contended, the means of irrigation were de-
 20 liberately given up by the Indians and deliberate-
 21 ly accepted by the government. The lands ceded
 22 were, it is true, also arid; and some argument
 23 may be urged, and is urged, that with their cession
 24 there was the cession of the waters, without which
 25 they would be valueless, and 'civilized communities
 26 could not be established thereon.' And this, it is
 27 further contended, the Indians knew, and yet made
 28 no reservation of the water. We realize that there
 29 is a conflict of implications, but that which makes
 30 for the retention of the waters is of greater force
 than that which makes for their cession. x x x x x

"By a rule of interpretation of agreements and
 19 treaties with the Indians, ambiguities occurring will
 20 be resolved from the standpoint of the Indians. And
 21 the rule should certainly be applied to determine
 22 between two inferences, one of which would support
 23 the purpose of the agreement and the other impair
 24 or defeat it. On account of their relations to the
 25 government, it cannot be supposed that the Indians
 26 were alert to exclude by formal words every inference
 27 which might militate against or defeat the declared
 28 purpose of themselves and the government, even if it
 29 could be supposed that they had the intelligence to
 30 foresee the 'double sense' which might some time be
 urged against them."

We submit that this court has by what was said on page
 12, et seq., of the opinion of June 6, 1935, agreed with the de-
 28 fendants that the Winters case is readily distinguishable from
 29 the case at bar and we are content to rest upon what the court
 30 held after careful consideration of all of the facts and circum-

stances to be the law of this case. The court has, with great labor and patience reviewed the evidence and it is apparent from the clear and explicit opinion that a thorough understanding and knowledge of the case in all its details was in the mind of the court when the opinion was written. For that reason, we are loath to burden the court with reiterations. We do desire, however, to answer that portion of the brief filed by the United States concerning the construction of a reservoir at the head of Walker Lake Indian Reservation.

On page 14 of the brief filed by the government on November 1, 1935, beginning with line 19, counsel for the United States say:

"Congress had appropriated \$10,000 in 1926 to investigate the feasibility of a reservoir."

"The appropriation was made after this suit was filed. The recommendations of Engle have never been approved or acted upon. The reservoir recommended by Engle has never been built."

While there is no evidence in the record to support the foregoing statement, we assert that counsel for the government is in error with reference to the construction of a reservoir for the Indians for the reason that a reservoir actually has been constructed on the Indian Reservation above Schurz. Whether it is constructed at the precise point recommended by Engle, we are not prepared to say but the fact remains that an appropriation has been made to construct the reservoir and the impounding dam has actually been constructed and the water has been stored in the reservoir, which facts we assume will not be challenged by the plaintiff.

Technically speaking, the above quotation from plaintiff's brief to the effect that one of the reservoir sites recommended by Engle has not been utilized by the construction of a reservoir, ^{is correct} nevertheless the physical fact of the construction

1 of the reservoir at a point a short distance lower on the stream
2 cannot be disputed. Wherever the reservoir be situated seems
3 immaterial so long as it is constructed and available for impound-
ing water to irrigate the Indian lands.

4 We would not feel justified in making the foregoing
5 assertion concerning the construction of the reservoir, except
6 for the fact that the attorneys for the government have opened
7 the door by making a denial in the brief that the Engle reser-
8 voir has been constructed.

9 Reference is made to the Weber site in the Blomgren
10 Report in the letter of transmittal with summary and recommenda-
11 tions, which appears on page 89 of the so-called "Blomgren
12 Report", offered in evidence and referred to in the opinion of
13 the court. It is said:

14 "The necessity for storage facilities in con-
15 nection with the irrigation project of the Walker
16 River Indian Reservation, in order to assure a safe
17 and dependable all-season water supply for the lands,
18 has long been recognized, and at various times for
19 several years preceding the present investigations
20 as funds and time have been available, the question
21 has been the subject of considerable study, including
22 extensive surveys and field investigations. These
earlier investigations, however, failed in the dis-
covery of a satisfactory storage site within or near
the reservation, and moreover seemed to establish it
as a fact that no such site existed other than the so-
called Weber Site, which has so many objectionable
features in addition to its inadequate capacity that
it cannot be considered as feasible."

23 Apparently, subsequent investigations have proven the
24 advisability of the construction of a dam at or near the Weber
25 site because the dam and reservoir are now actually existing things.

26 A more complete description of the Weber Reservoir Site
27 is contained on pages 45 and 46 of the Blomgren report, from which
28 I quote:

29 "The site of the dam proposed in the Beemer
30 report known as the Weber Site, is located about
nine miles above Schurz and two and one-half miles
abovet the diversion dam for the present irrigated

1 area of the project in the lower valley. This
2 site has been thoroughly investigated and tested.
3 The several dams proposed in the Beemer report
4 were 40 feet in height above the river bed,
5 elevation 4,180 feet, and the maximum storage
6 of the reservoir with a water surface elevation
7 of 4,212 , was 9600 acre feet."

8 On page 8 of the brief filed by the plaintiff, United
9 States of America, on November 1, 1935, the following statement
10 appears:

11 "We cannot conceive of a civilized nation
12 confining a lot of helpless starving savages on a
13 sun-baked tract of desert lands without water,
14 except for drinking purposes, unless it was the
15 purpose of the United States that the Walker
16 River Indian Reservation, in the language of
17 Judge Talbot, should serve merely as a starvation
18 camp and burying ground."

19 We answered such arguments in our former brief.

20 In the winter of 1859, when it is claimed the reservation was cre-
21 ated for the Indians, we pointed out in the evidence that the
22 Indians were actually at war with the Whites and that for some
23 two years or more later battles were had in which many White men
24 were killed and scalped by the Indians. Notably is the battle in
25 which General Ormsby, Captain Storey and many other Whites were
26 killed near Pyramid Lake in an expedition against the Indians
27 because of the murder of two White men at Williams Station.
28 It is idle to argue that under such conditions the government
29 contemplated the irrigation of 10,000 acres of land on the
30 Walker River Indian Reservation for 600 savage Indians who were
living upon game, fish and the roots of wild plants which abounded
in the region at that time. The implication contended for that
water for 10,000 acres of land was reserved from the Walker River
under such circumstances as existed at that time is impossible,
particularly in the light of subsequent developments whereby the
Congress of the United States authorized, permitted and encouraged
the settlement of homestead and desert lands and acquiesced in
and declared through Congress that the waters of the non-navigable

1 streams on the public domain were available for the development
2 of such land. The implications raised by the acts of Congress
3 beginning with 1866 down to the present time certainly do not
4 argue in favor of the implication contended for by the government.
5 The implication against the reservation of water when the tract
6 of land was delimited in 1859 is certainly far more logical than
7 the implication in its favor and in view of the fact that no
8 treaty is under consideration, the conflict of implications can-
9 not be followed as was followed in the Winters case, supra.

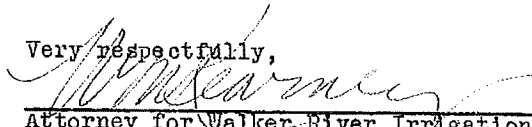
10 We have fully covered such argument in our brief of
11 August 25, 1933, and respectfully request the court to re-examine
12 the brief if the court is to give any consideration to a re-argu-
13 ment of matters presented by the latest exceptions and briefs of
14 the government.

15 Since the Supreme Court of the United States decided
16 the case of California Oregon Power Company vs. Beaver Portland
17 Cement Company et al, No. 612, reported in 79 Law Ed, 1356, 295
18 U. S. 142, many questions which had been in doubt with reference
19 to the effect of the Act of 1866 and the Desert Land Act of 1877
20 have been set at rest. The defendants always contended for the
21 interpretation of the Desert Land Act which was finally announced
22 by the Supreme Court in the last mentioned case. Fortunately,
23 the court had the benefit of this decision at the time the opinion
24 in the case at bar was rendered and we respectfully submit that
25 the conclusions of this court on the points in question were
26 correctly decided. It is impossible to reconcile the decision
27 of the Supreme Court of the United States in California Oregon
28 Power Company vs. Beaver Portland Cement Company, supra, with the
29 claim that the United States impliedly reserved water for the
30 Indian Reservation. The serious consequences that would result
from the actual taking of such water from the White settlers, who

1 have beneficially used it and who have built up cities, towns
2 and schools and developed the valley to its present state of
3 cultivation, are beyond contemplation.

4 We therefore respectfully submit that the conclusions
5 reached by the court in the opinion of June 6, 1935, are correct
6 and should stand as against the United States of America.

7 Dated: January 8, 1936.


8 Very respectfully,
9 

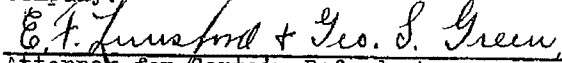
10 Attorney for Walker River Irrigation
11 District and Certain Other Defendants.

12 Service of the foregoing Memorandum, by copy,
13 is hereby admitted this 10th day of January,
14 1936.

15 _____
Special Master.

16 _____
Attorney for Plaintiff.

17 
18 _____
Attorneys for Defendant, Sierra Pacific Power
19 Company.

20 
Attorney for Certain Defendants.